

**STATEMENT OF
PFC ANNUAL FINANCIAL INFORMATION
AND OPERATING DATA
of the
MASSACHUSETTS PORT AUTHORITY
FOR FISCAL YEAR 2003**

INTRODUCTION

This Statement of Annual Financial Information and Operating Data dated as of October 24, 2003 (the “PFC Annual Disclosure Statement”) of the Massachusetts Port Authority (the “Authority”) is prepared and submitted in accordance with the requirements of the Continuing Disclosure Agreement dated as of May 6, 1999 (the “PFC Disclosure Agreement”) between the Authority and The Bank of New York, as dissemination agent. Set forth below is certain financial information and operating data relating to the Authority for the fiscal year ended June 30, 2003 (“fiscal year 2003”) updating the financial information and operating data presented in the Authority’s Official Statement dated June 9, 1999 relating to the PFC Bonds (the “1999 PFC Official Statement”) and the Authority’s Statement of Annual Financial Information and Operating Data dated as of November 15, 2002 (the “2002 Annual Disclosure Statement”). Capitalized terms not otherwise defined herein shall have the meanings ascribed to such terms in the 1999 PFC Official Statement. The Authority’s Comprehensive Annual Financial Report dated October 24, 2003 (the “2003 CAFR”) for fiscal year 2003 is incorporated herein by reference. The Authority’s audited financial statements for fiscal year 2003 and comparative information for fiscal year 2002, prepared in accordance with generally accepted accounting principles (“GAAP”), with a report thereon by PricewaterhouseCoopers LLP, independent public auditors, are also included as part of the 2003 CAFR. The 1999 PFC Official Statement and the 2002 Annual Disclosure Statement are each on file with each Nationally Recognized Municipal Securities Information Repository (“NRMSIR”).

This Annual Disclosure Statement applies to the following Series of Bonds issued by the Authority:

Massachusetts Port Authority PFC Revenue Bonds, Series 1999-A (Non-AMT)
Massachusetts Port Authority PFC Revenue Bonds, Series 1999-B (AMT)

On June 16, 1999, the Authority issued its \$67,665,000 PFC Revenue Bonds, Series 1999-A (Non-AMT) and \$181,690,000 PFC Revenue Bonds, Series 1999-B (AMT) (collectively, the “PFC Bonds”) pursuant to a PFC Revenue Bond Trust Agreement dated as of May 6, 1999, as supplemented and amended (the “PFC Trust Agreement”), between the Authority and The Bank of New York, as trustee (the “PFC Trustee”).

The Authority has issued thirteen series of bonds (the “Bonds”) pursuant to the Trust Agreement dated as of August 1, 1978, as supplemented and amended (the “1978 Trust Agreement”) between the Authority and U.S. Bank National Association, as trustee (the “Trustee”) which remain outstanding as of the date hereof. On December 29, 2000 and January

2, 2001, respectively, the Authority issued its Subordinated Revenue Bonds, Series 2000-A, 2000-B and 2000-C, and Series 2001-A, 2001-B and 2001-C, respectively, in the aggregate principal amount of \$74,000,000 (collectively, the “Subordinated Revenue Bonds”). The Subordinated Revenue Bonds are payable solely from amounts on deposit in the Improvement and Extension Fund established under the 1978 Trust Agreement and in a separate account not subject to the pledge of the 1978 Trust Agreement or the PFC Trust Agreement. The Subordinated Revenue Bonds are subordinate to all of the revenue bonds issued prior to the date hereof by the Authority pursuant to the 1978 Trust Agreement.

On August 16, 2001, the Authority issued its Special Facilities Revenue Bonds (Delta Air Lines, Inc. Project), Series 2001A, 2001B and 2001C (collectively, the “Delta Project Bonds”) in aggregate principal amount of \$497,585,000. On March 1, 2001, the Authority issued its Special Facilities Revenue Refunding Bonds (Harborside Hyatt Conference Center and Hotel Project), Series 2001-A (Tax-Exempt) and 2001-B (Taxable) (collectively, the “Hyatt Bonds”), a portion of the proceeds of which were applied to refund all of the Authority’s outstanding Special Facilities Revenue Bonds (Harborside Hyatt Conference Center and Hotel Project), Series 1990. On December 9, 1999, the Authority issued \$80,500,000 of its Special Facilities Revenue Bonds (United Air Lines, Inc. Project), Series 1999A (the “United Project Bonds”). As a result of United Air Lines’ filing for bankruptcy protection in December 2002, the trustee for the United Project Bonds has issued notice of an event of default. On October 21, 1999, the Authority issued its \$33,120,000 Special Facilities Revenue Bonds (US Airways Project), Series 1999 (the “1999 US Airways Project Bonds”) and on January 2, 1997, the Authority issued its \$48,980,000 Special Facilities Revenue Bonds (USAir Project), Series 1996A (the “1997 USAir Project Bonds” and collectively with the 1999 US Airways Project Bonds, the “US Airways Project Bonds”).

The Authority did not undertake any ongoing disclosure obligations in connection with the issuance of the Subordinated Revenue Bonds, the Delta Project Bonds, the Hyatt Bonds, the United Project Bonds or the US Airways Project Bonds. On May 15, 1997, the Authority issued its \$111,320,000 Special Facilities Revenue Bonds (BOSFUEL Project), Series 1997 (the “BOSFUEL Bonds”).

Pursuant to the Continuing Disclosure agreement dated as of August 1, 1997 (the “Continuing Disclosure Agreement”), between the Authority and U.S. Bank National Association (as successor to State Street Bank and Trust Company), the Authority is also issuing as of the date hereof the 2003 CAFR with respect to the outstanding Bonds issued pursuant to the 1978 Trust Agreement and the BOSFUEL Bonds. The 2003 CAFR has been filed with each NRMSIR and is also available from the Authority and the Trustee.

The Authority’s principal office is located at One Harborside Drive, Suite 200S, East Boston, Massachusetts 02128. Its telephone number is (617) 428-2800. Questions may be directed to Leslie A. Kirwan, the Authority’s Director of Administration and Finance and Secretary-Treasurer.

Annual Disclosure Statement

This Annual Disclosure Statement is of limited scope. It contains only an updating of certain financial information and operating data described below. *Except as expressly noted, all*

information presented in this Annual Disclosure Statement is on the basis required under the PFC Trust Agreement, and not on the basis of GAAP. The information set forth herein does not contain all material information concerning the PFC Bonds or the Authority necessary to make an informed investment decision. This PFC Disclosure Statement does not constitute an offer to sell or the solicitation of an offer to buy the PFC Bonds.

This PFC Annual Disclosure Statement is submitted pursuant to the PFC Disclosure Agreement. The intent of the Authority's undertaking under the PFC Disclosure Agreement is to provide on a continuing basis for the benefit of the owners of the PFC Bonds and any other bonds of the Authority which are designated by resolution of the Authority as subject to and having the benefits of the PFC Disclosure Agreement the information described in Rule 15c2-12 (the "Rule") promulgated by the Securities and Exchange Commission (the "SEC") under the Securities Exchange Act of 1934. Pursuant to the PFC Disclosure Agreement, the Authority has agreed with respect to the PFC Bonds to provide, or cause to be provided, certain annual financial information and operating data, prepared on the basis of the PFC Trust Agreement, and notices of material events. The Authority reserves the right to modify the disclosure required under the PFC Disclosure Agreement, or the format of such disclosure, so long as any such modification is permitted by the Rule.

The purpose of the Authority's undertaking is to conform to the requirements of the Rule and not to create new contractual or other rights for the PFC Trustee or for the underwriters of the PFC Bonds, any registered owner or beneficial owner of PFC Bonds, any municipal securities broker or dealer, any potential purchaser of the PFC Bonds, the SEC, or any other person. The sole remedy in the event of any actual or alleged failure by the Authority to comply with any provision of the PFC Disclosure Agreement shall be an action for the specific performance of the Authority's obligations thereunder and not for money damages in any amount. Any failure by the Authority to comply with any provision of such undertaking shall not constitute an event of default under the PFC Trust Agreement or any other instruments relating to the PFC Bonds.

UPDATED OPERATING INFORMATION

Incorporation by Reference

The 2003 CAFR is hereby incorporated by reference. To view the 2003 CAFR on-line, please visit http://www.massport.com/about/about_inves.html.

PFC ANNUAL FILING

The following information is provided with respect to the PFC Bonds pursuant to the PFC Disclosure Agreement.

Historical and Forecast PFCs and Estimated Debt Service Coverage

A table presenting historical PFC collections and estimated debt service coverage of the PFC Bonds as of June 30, 2003 is attached hereto as APPENDIX A.

First Lien Sufficiency Covenant

A calculation of the First Lien Sufficiency Covenant (as defined in the PFC Trust Agreement) as of June 30, 2003 is attached hereto as APPENDIX B.

Sources and Uses of Funds for 1999 PFC Bond Projects

The 1999 PFC Bond Projects consist of the “Gateway Terminal Building”, comprising an addition of approximately 410,000 square feet of new space to, and renovation of approximately 170,000 square feet of existing space at, Terminal E, the international terminal at the Airport, and development of the “Gateway Roadways”, comprising a new two-level system of public roads, service access and new curbside facilities. Collectively, the Gateway Terminal Building and the Gateway Roadways are referred to as the “International Gateway Project.” In May 2003, the new South Addition to the Gateway Terminal Building was placed in service; however, work continues on the Gateway Terminal Building portion of the project. In the summer of 2002 the project cost rose by \$39 million due to the increased cost of baggage screening facilities incorporated into the Gateway Terminal Building after September 11, 2001 to support the screening of hold baggage by the Transportation Security Administration (“TSA”). As of June 30, 2003, the estimated cost to complete the International Gateway Project was approximately \$362,685,000, an increase of approximately \$2 million over the estimated cost to complete in September 2002. As of June 30, 2003, \$336.6 million had been committed through execution of construction contracts, change orders, work orders, purchase orders or other approved payments, and \$290.4 million had been invoiced. The primary sources of funding for the International Gateway Project are the Authority’s PFC Bonds, commercial paper (to be repaid with PFCs) and Revenue Bonds, Series 1999D, as well as pay-as-you-go PFCs.

International Gateway Project Sources and Uses

| | Gateway Roadways | Gateway Terminal Building | Total |
|--|-----------------------------|--|-------------------|
| <u>PFC Pay-as-you-go Funding:</u> | | | |
| Preliminary Design: | \$ 588,000 | \$ 2,678,000 | \$ 3,266,000 |
| Budgeted Construction Costs: | 5,325,000 | 22,773,000 | 28,098,000 |
| Budgeted OCIP: | <u>1,380,000</u> | <u>6,281,000</u> | <u>7,661,000</u> |
| Subtotal PFC Pay-as-you-go Funding: | 7,293,000 | 31,732,000 | 39,025,000 |
| <u>PFC Revenue Bonds:</u> | | | |
| Series 1999A: | 40,743,000 | | 40,743,000 |
| Series 1999B: | | 182,875,000 | 182,875,000 |
| Commercial Paper: ¹ | <u> </u> | <u>28,000,000</u> | <u>28,000,000</u> |
| <u>Subtotal PFC-Related Funding:</u> | \$48,036,000 | \$242,607,000 | \$290,643,000 |
| <u>Non-PFC Revenue Bonds:</u> | | | |
| Series 1990A: | | \$ 1,600,000 | \$ 1,600,000 |
| Series 1999D: | | 41,917,000 | 41,917,000 |
| future Revenue Bonds expected to be issued in 2006: | | <u>20,923,000</u> | <u>20,923,000</u> |
| <u>Other Sources:</u> | | | |
| TSA Grant: | <u> </u> | <u>7,602,000</u> | <u>7,602,000</u> |
| Total Funding for International Gateway: | \$48,036,000 | \$314,649,000 | \$362,685,000 |

Additional Information

The remaining information required to be included in the Authority's Annual Filing under subsections 4(a)(ii), (iii), (iv) and 4(c) of the PFC Disclosure Agreement is included in the Authority's audited financial statements for the fiscal year ended June 30, 2003, the Letter of Transmittal, the Statistical Information or the Annual Disclosure Statement included in the 2003 CAFR.

* * *

¹ Expected to be repaid with PFCs.

This PFC Annual Disclosure Statement has been executed and delivered on behalf of the Authority pursuant to the PFC Disclosure Agreement.

MASSACHUSETTS PORT AUTHORITY

By: /s/ Craig P. Coy
Craig P. Coy, Chief Executive Officer/Executive
Director

By: /s/ Leslie A. Kirwan
Leslie A. Kirwan
Director of Administration and Finance and
Secretary-Treasurer

APPENDIX A

HISTORICAL PFC REVENUE AND DEBT SERVICE COVERAGE (in thousands)

| <u>Fiscal Year</u> | <u>Enplaned Passengers (1)</u> | <u>Rate of Traffic Growth</u> | <u>Percent Passengers Paying PFCs</u> | <u>Net PFC Collections (2)</u> | <u>PFC Investment Income</u> | <u>Total Collections Plus Inv. Income</u> | <u>Gross Annual Debt Service (3)</u> | <u>Less Interest Income (4)</u> | <u>Net Annual Debt Service</u> | <u>Debt Service Coverage</u> |
|------------------------|------------------------------------|---------------------------------------|---|--|--------------------------------------|---|--|---|--|--------------------------------------|
| 2000 | 13,748 | 3.28% | 91.70% | \$36,812 | \$4,483 | \$41,295 | \$13,212 | \$10,604 | \$2,608 | 15.83 |
| 2001 | 13,633 | -1.67% | 91.23% | 36,318 | 3,901 | 40,269 | 21,543 | 9,904 | 11,639 | 3.46 |
| 2002 | 11,019 | -19.17% | 91.51% | 29,442 | 2,652 | 32,094 | 21,547 | 7,402 | 14,145 | 2.27 |
| 2003 | 11,270 | 2.28% | 88.39% | 29,090 | 771 | 29,861 | 21,545 | 3,841 | 17,704 | 1.69 |

(1) Excludes general aviation passengers.

(2) Net PFC Collections computed at rate of \$3.00 per passenger less \$0.08 Airline Collection Fee.

(3) Less accrued interest from June 1, 1999 to June 16, 1999 in the amount of \$528,464 in fiscal year 2000.

(4) Interest income on the Debt Service Reserve Fund, the Project Fund and non-PFC interest income on the Debt Service Fund.

Appendix B

Calculation of the First Lien Sufficiency Covenant for the fiscal year ending June 30, 2003 (see attached notes and exhibits)

$$\text{First Lien Sufficiency Covenant} = \frac{\text{Unspent PFC Authority + Projected Additional Pledged Revenue}}{\text{Projected Aggregate Debt Service}} = 2.42$$

| | | | |
|---|---------------|---|---|
| Unspent PFC Authority = | | Projected Additional Pledged Revenue (currently none) | Projected Aggregate Debt Service (calculated with the goal of minimizing the aggregate dollar amount necessary to pay and redeem the First Lien PFC Bonds whether at maturity or redemption prior to stated maturity) |
| (A) Aggregate dollar amount of revenue authorized to be collected by the Authority under PFC Authority | \$927,353,000 | \$0 | Amount necessary to pay or redeem the PFC Bonds at redemption: call date July 1, 2009 @ 101% (minimum amount) |
| minus | | | Projected Aggregate Debt Service = |
| (B) the dollar amount of Cost of Projects paid to date from PFC Pledged Revenue or legally obligated to date to be paid from PFC Pledged Revenue | 284,798,431 | | (D) Aggregate amount of Annual Debt Service for the period commencing June 30, 2003 through the optional redemption date of July 1, 2009 together with premium |
| (C) (including debt service paid to date on First Lien PFC Bonds but excluding Projected Aggregate Debt Service with respect to First Lien PFC Bonds) | 32,367,239 | | \$300,642,968 |
| Unspent PFC Authority = (A) minus sum of (B) and (C) | \$610,187,330 | | minus |
| | | | amounts on deposit as of June 30, 2003 in the Debt Service Fund and Debt Service Reserve Fund, and projected interest earnings on the Project Funds and the Debt Service Reserve Fund |
| | | | \$15,565,008 \$24,935,500 \$4,099 \$8,330,319 |
| | | | (E) Subtotal |
| | | | \$48,834,926 |
| | | | Projected Aggregate Debt Service = (D) minus (E) |
| | | | \$251,808,042 |

(A), (B), (C), (D), (E): See attached notes

Notes:

Notes:

| | | | |
|---|--|----------------|--------------------------------|
| (A) See FAA's Record of Decision, dated February 5, 1998, page 4 (See attached Exhibit 1) | | | |
| (B) This figure is the total of (1) pay-as-you-go expenditures paid through June 30, 2003 plus (2) binding commitments legally obligated to be paid (but not yet paid as of June 30, 2003). | | | |
| | | Paid to Date * | Legally Obligated to be Paid** |
| PFC Project 1: | Residential Sound Insulation Projects | \$15,325,217 | \$1,428,832 |
| PFC Project 2A: | Logan Modernization Program Planning, Preliminary Design and Environmental Analysis | 9,513,984 | 0 |
| PFC Project 3: | Terminal E Modernization | 20,891,765 | 0 |
| PFC Project 4: | Circulating Roadways | 119,132,782 | 2,806,514 |
| PFC Project 6: | International Gateway | 5,395,656 | 646,240 |
| PFC Project 17: | Elevated Walkways | 109,637,907 | 19,533 |
| Total | | \$279,897,312 | \$4,901,119 |
| Total of Paid to Date and Legally Obligated to be Paid | | | \$284,798,431 |
| * Source: June 30, 2003 Passenger Facility Charge Quarterly Report. (See Exhibit 2.) For PFC Project 6, the Paid to Date figure shown here does not include \$36,367,239.33 of PFC Pledged Revenue used to pay debt service on the 1999A and 1999B PFC Revenue Bonds. | | | |
| ** Legally Obligated to be Paid Amounts: | | | |
| PFC Project 1: | Residential Sound Insulation Program (See attached Exhibit 3) | | |
| PFC Project 2A: | Logan Modernization Program Planning, Preliminary Design and Environmental Analysis These expenditures covered project costs through environmental approval or through 25% of design. All Logan Modernization Projects reached that point before June 30, 2000. | | |
| PFC Project 3: | Terminal E Modernization This project was closed on July 6, 1999. | | |
| PFC Project 4: | Circulating Roadways | | |
| PFC Project 6: | International Gateway *** | | |
| PFC Project 17: | Elevated Walkways For projects 4 and 17 see Logan Modernization Cost Report, June 2003, attached as Exhibit 4. Legally Obligated to be Paid is equal to Current Committed shown on Exhibit 4 minus Paid to Date amount shown above. | | |
| *** As of June 30, 2003, the available balance in the 1999B PFC Revenue Bonds' Project Fund was \$3,578,660. This left a balance of \$646,240 that is Legally Obligated to be Paid out of PFC Funds. | | | |
| (C) Debt Service Paid to Date consists of the interest and principal payments made to bondholders through January 2, 2003. The amount of PFC Pledged Revenue used to pay debt service was \$32,367,239.33. | | | |
| (D) Aggregate amount of Annual Debt Service as of June 30, 2003 assuming bonds are redeemed (including premium) at earliest possible date: July 1, 2009 | | | |
| | | | \$300,642,968 |
| Aggregate amount of Annual Debt Service as of June 30, 2003 assuming bonds are redeemed July 1, 2010 | | | |
| | | | \$307,319,569 |
| Aggregate amount of Annual Debt Service as of June 30, 2003 assuming bonds are redeemed at maturity | | | |
| | | | \$342,107,529 |
| (See attached Exhibit 5) | | | |
| (E) Sum of amounts on deposit as of June 30, 2003 in the Debt Service Fund and Debt Service Reserve Fund, and projected interest earnings on the Project Funds and Debt Service Reserve Fund: | | | |
| assuming bonds are redeemed at earliest possible date: July 1, 2009 | | | \$48,834,926 |
| assuming bonds are redeemed July 1, 2010 | | | \$50,116,514 |
| assuming bonds are redeemed at maturity | | | \$59,087,627 |
| (See attached Exhibit 5) | | | |

application, including those for which "impose only" is authorized.

DECISION SUMMARY TABLE

| Application Number | Approved for Collection | Approved for Use |
|--------------------|-------------------------|----------------------|
| 93-01-C-00-BOS | \$598,800,000 | \$12,028,000 |
| 93-01-C-01-BOS | (\$361,138,000) | (\$1,682,000) |
| 93-01-C-02-BOS | \$231,102,000 | \$ -0- |
| 93-01-C-03-BOS* | \$295,552,000 | \$ -0- |
| 96-02-C-00-BOS | \$163,037,000 | \$482,901,000 |
| 97-03-U-00-BOS | \$ -0- | \$434,106,000 |
| Totals | \$927,353,000 | \$927,353,000 |

* An administrative amendment was processed with this application, based on information submitted by Massport, indicating cost adjustments to one project previously approved for collection in the 93-01-C-00-BOS application, as amended. The table below shows the project title, original approved amount, and revised amount. The result is a net increase in the authorization to impose a PFC as approved in the 93-01-C-00-BOS application and shown in the preceding table.

Revised Project Costs

| <u>Description:</u> | <u>Original Approved Amount</u> | <u>Revised Impose Amount</u> |
|--|---|--------------------------------------|
| New Federal Inspection Services Facility | \$138,554,000 | \$434,106,000 |

[Net change: \$434,106,000 - \$138,554,000 = \$295,552,000]

EXHIBIT 2

MASSACHUSETTS PORT AUTHORITY PFC QUARTERLY REPORT PROJECT ACTIVITY GENERAL EDWARD LAWRENCE LOGAN INTERNATIONAL AIRPORT QUARTER ENDED JUNE 30, 2003

| Projects | Charge Effective Date | Approval of Use Date | Project Start | Project Stop | Current Quarter Expenditures | Cumulative Expenditures | Amount of Use Approval | Current Estimated Costs |
|--|-----------------------|----------------------|---------------|--------------|------------------------------|-------------------------|------------------------|-------------------------|
| Project 1 - Residential Sound Insulation (RSIP) | 1-Nov-93 | 27-Jan-97 | 1-Jan-91 | 31-Dec-01 | \$0.00 | \$15,325,217.34 | \$26,990,000.00 | \$16,768,793.00 |
| Project 2A - Logan Modernization Program Planning, Preliminary Design and Environmental Analysis | 1-Nov-93 | 24-Aug-93 | 1-Jul-93 | 30-Jun-97 | 4,410.00 | 9,513,983.87 | 10,346,000.00 | 9,510,337.52 |
| Project 3 - Terminal E Improvements | 1-Nov-93 | 27-Jan-97 | 1-Jul-94 | 30-Jun-97 | 0.00 | 20,891,764.85 | 24,568,000.00 | 20,891,764.85 |
| Project 4 - Roadway System Circulation and Terminal E | 1-Nov-93 | 27-Jan-97 | 1-Jul-95 | 31-May-04 | 5,483,790.28 | 119,132,782.01 | 268,306,000.00 | 134,198,000.00 |
| Project 6 - International Gateway * | 1-Nov-93 | 5-Feb-98 | 1-Jul-95 | 31-Dec-03 | 5,956,858.70 | 51,842,537.77 | 434,106,000.00 | 329,511,761.00 |
| Project 17 - Elevated Walkways | 1-Jan-01 | 27-Jan-97 | 1-Jul-95 | 30-Jun-02 | 723,809.69 | 109,637,907.36 | 163,037,000.00 | 108,606,000.00 |
| Total Impose and Use | | | | | \$12,168,868.67 | \$326,344,193.20 | \$927,353,000.00 | \$619,486,656.37 |
| | | | | | | | | |

* Expenditure amounts for Project 6 - International Gateway consist of payments made from the PFC Capital Fund and PFC funded deposits into the 1999A and 1999B PFC Revenue Bonds debt service funds.

Exhibit 3
Calculation of PFC Project 1: Residential Sound Insulation Program Expenditures
Legally Obligated to be Paid

| | |
|---|------------------|
| Expenditures Paid to Date (PFC-Eligible) FY1991 through FY2003 * | \$82,673,000 |
| Expenditures Legally Obligated to be Paid as of June 30, 2003 (See below) | 64,635 |
| Total Expenditures Paid to Date or Legally Obligated to be Paid | \$82,737,635 |
| FAA AIP Grant Funding ** | (65,983,586) |
| Amount to be Funded by PFCs | \$16,754,049 |
| Amount Funded with PFCs as of June 30, 2003 (See Exhibit 2) | (15,325,217) |
| Balance to be Funded by PFCs as of June 30, 2003 | \$1,428,832 |

Open Residential Sound Insulation Projects (Contracts) as of June 30, 2003 ***

| MPA Number | Total Contract Value (Column A) | Expended Through June 30, 2003 (Column B) | Legally Obligated to be Paid (Column A - B) |
|------------|--|--|---|
| 1.707 | \$7,672,276 | \$7,615,334 | \$56,942 |
| 1.707AA | 389,006 | 381,312 | 7,693 |
| TOTAL | \$8,061,282 | \$7,996,647 | \$64,635 |

* Source: Capital Expenditure/Budget Reports for fiscal year end 1991 through 2003.

** Source: Federal Grant Aging Schedules for fiscal years 1991 through 2003.

*** Source: Capital Program's Project Information Updates

LOGAN MODERNIZATION COST REPORT

EXHIBIT 4

| |
|--|
| Funding Source Summary Report As of June 30, 2003 |
|--|

Status Date: 06/30/03

| <u>Funding Source</u> | <u>Funds Available Through FY04 *</u> | <u>Current Committed</u> | <u>Invoiced Through 05/31/03</u> | <u>Invoiced This Period</u> | <u>Invoiced Through 06/30/03</u> | <u>Invoiced/ Committed</u> |
|---|---|------------------------------|--------------------------------------|---------------------------------|--------------------------------------|--------------------------------|
| Logan Modernization | | | | | | |
| 1990 Bond | 4,752,529 | 4,752,877 | 4,752,529 | 0 | 4,752,529 | 99.99% |
| 1992 Bond | 24,185,000 | 24,185,000 | 24,185,000 | 0 | 24,185,000 | 100.00% |
| 1997 Bond Series A, Non-AMT | 104,771,961 | 104,655,644 | 104,745,732 | 0 | 104,745,732 | 100.09% |
| 1997 Bond Series B, AMT | 24,215,616 | 24,215,616 | 24,215,616 | 0 | 24,215,616 | 100.00% |
| 1998 Bond D (#013) | 2,763,143 | 2,756,837 | 2,763,143 | 0 | 2,763,143 | 100.23% |
| 1998 Bond Series E | 65,968,723 | 65,639,522 | 65,639,627 | (36,185) | 65,603,442 | 99.95% |
| 1999 Bond A, IG Roads, PFC Rev (#216) | 40,740,000 | 40,771,840 | 40,741,839 | 0 | 40,741,839 | 99.93% |
| 1999 Bond B, IG Term, PFC Rev (#226) | 163,700,780 | 163,700,780 | 158,969,119 | 1,751,091 | 160,720,210 | 98.18% |
| 1999 Bond C, Roadway Betterments | 42,653 | 42,433 | 42,653 | 0 | 42,653 | 100.52% |
| 1999 Bond D, Utilities & IG (#106) | 61,557,701 | 62,681,953 | 61,557,710 | (9) | 61,557,701 | 98.21% |
| 2003 CP Series B (#111) | 40,000,000 | 33,041,404 | 0 | 2,439,365 | 2,439,365 | 7.38% |
| Improvement & Extension (#095)_ | 50,000,000 | 45,230,501 | 29,235,739 | 1,504,324 | 30,740,063 | 67.96% |
| Maintenance Reserve (#080) | 10,000,000 | 9,645,537 | 9,472,182 | 7,057 | 9,479,238 | 98.28% |
| Operating Budget | 0 | 2,690 | 0 | 0 | 0 | 0.00% |
| PFC 2A Preliminary Design | 9,424,918 | 9,460,290 | 9,424,918 | 0 | 9,424,918 | 99.63% |
| PFC Project 17 - Elevated Walkways (#203) | 111,200,000 | 109,657,440 | 109,289,944 | 7,724 | 109,297,667 | 99.67% |
| PFC Project 3 - Terminal E Modernization (#203) | 20,683,555 | 20,696,243 | 20,683,555 | 0 | 20,683,555 | 99.94% |
| PFC Project 4 - Circulating Roadways (#203) | 108,000,000 | 121,939,296 | 106,838,546 | 800,464 | 107,639,011 | 88.27% |
| PFC Project 6 - International Gateway (#203) | 10,000,000 | 6,440,266 | 5,073,031 | 152,907 | 5,225,937 | 81.14% |
| Logan Modernization Total: | 852,006,579 | 849,516,167 | 777,630,883 | 6,626,738 | 784,257,621 | 92.32% |
| Non-Logan Modernization | | | | | | |
| Improvement & Extension (#095)_ | 9,913,191 | 5,804,541 | 5,621,526 | 69,922 | 5,691,448 | 98.05% |

Exhibit 5
(Page 1 of 4)

Amount necessary to pay or redeem the PFC Bonds at earliest redemption date

| | | |
|-----------|---|----------------|
| Row 1 | Initial Principal Amount of the 1999A and 1999B PFC Revenue Bonds | \$249,355,000 |
| Row 2 | Principal Payment to be made on July 2, 2001 | (8,860,000) |
| Row 3 | Principal Payment to be made on July 1, 2002 | (9,205,000) |
| Row 4 | Principal Payment to be made on July 1, 2003 | (9,585,000) |
| Row 5 | Principal Payment to be made on July 1, 2004 | (9,995,000) |
| Row 6 | Principal Payment to be made on July 1, 2005 | (10,425,000) |
| Row 7 | Principal Payment to be made on July 3, 2006 | (10,945,000) |
| Row 8 | Principal Payment to be made on July 2, 2007 | (11,435,000) |
| Row 9 | Principal Payment to be made on July 1, 2008 | (12,005,000) |
| Row 10 | Principal Payment to be made on July 1, 2009 | (12,630,000) |
| Row 11 | Principal Balance Remaining Outstanding as of July 1, 2009 (Sum of Rows 1-10) | \$154,270,000 |
| Row 12 | Interest Payments made July 1, 2003 | 5,980,008 |
| Row 13 | Interest Payments made July 2, 2003 through July 1, 2004 | 11,552,654 |
| Row 14 | Interest Payments made July 2, 2004 through July 1, 2005 | 11,117,871 |
| Row 15 | Interest Payments made July 2, 2005 through July 3, 2006 | 10,600,846 |
| Row 16 | Interest Payments made July 4, 2006 through July 2, 2007 | 10,108,321 |
| Row 17 | Interest Payments made July 3, 2007 through July 1, 2008 | 9,537,636 |
| Row 18 | Interest Payments made July 2, 2008 through July 1, 2009 | 8,912,931 |
| Row 19 | Interest Payments made July 1, 2003 through July 1, 2009 (Sum of Rows 12-18) | \$67,810,268 |
| Row 20 | Principal Balance redeemed @ 101% of par July 1, 2009 (101% of Row 11) | \$155,812,700 |
| Row 21 | Principal Payments through July 1, 2009 prior to redemption (Sum of Rows 2-10) | 77,020,000 |
| Row 22 | Interest Payments made through July 1, 2009 (Row 19) | 67,810,268 |
| Row 23 | Aggregate First Lien Debt Service remaining to be paid as of June 30, 2003 assuming redemption at first call date, July 1, 2009 (Sum of Rows 20-22) | \$300,642,968 |
| Row 24 * | Projected earnings on Debt Service Reserve Fund as of June 30, 2003 | (8,330,319) |
| Row 25 * | Projected earnings on the Project Funds as of June 30, 2003 | (4,099) |
| Row 26 | Balance of the Debt Service Fund as of June 30, 2003 | (15,565,008) |
| Row 27 | Balance of the Debt Service Reserve Fund as of June 30, 2003 | (24,935,500) |
| Row 28 | Subtotal (Sum of Rows 24-27) | (\$48,834,926) |
| Row 29 ** | Amount necessary to pay or redeem the PFC Bonds at earliest redemption date (Sum of Row 23 and Row 28) | \$251,808,042 |

* Projected interest earnings through July 1, 2009.

** Minimum amount necessary to pay or redeem the PFC Bonds at maturity or redemption
(See comparisons below)

Exhibit 5
(Page 2 of 4)

Amount necessary to pay or redeem the PFC Bonds at July 1, 2010 redemption date:

| | | |
|----------|--|----------------|
| Row 1 | Initial Principal Amount of the 1999A and 1999B PFC Revenue Bonds | \$249,355,000 |
| Row 2 | Principal Payment to be made on July 2, 2001 | (8,860,000) |
| Row 3 | Principal Payment to be made on July 1, 2002 | (9,205,000) |
| Row 4 | Principal Payment to be made on July 1, 2003 | (9,585,000) |
| Row 5 | Principal Payment to be made on July 1, 2004 | (9,995,000) |
| Row 6 | Principal Payment to be made on July 1, 2005 | (10,425,000) |
| Row 7 | Principal Payment to be made on July 3, 2006 | (10,945,000) |
| Row 8 | Principal Payment to be made on July 2, 2007 | (11,435,000) |
| Row 9 | Principal Payment to be made on July 1, 2008 | (12,005,000) |
| Row 10 | Principal Payment to be made on July 1, 2009 | (12,630,000) |
| Row 11 | Principal Payment to be made on July 1, 2010 | (13,325,000) |
| Row 12 | Principal Balance Remaining Outstanding as of July 1, 2010 (Sum of Rows 1-11) | \$140,945,000 |
| Row 13 | Interest Payments made July 1, 2003 | 5,980,008 |
| Row 14 | Interest Payments made July 2, 2003 through July 1, 2004 | 11,552,654 |
| Row 15 | Interest Payments made July 2, 2004 through July 1, 2005 | 11,117,871 |
| Row 16 | Interest Payments made July 2, 2005 through July 3, 2006 | 10,600,846 |
| Row 17 | Interest Payments made July 4, 2006 through July 2, 2007 | 10,108,321 |
| Row 18 | Interest Payments made July 3, 2007 through July 1, 2008 | 9,537,636 |
| Row 19 | Interest Payments made July 2, 2008 through July 1, 2009 | 8,912,931 |
| Row 20 | Interest Payments made July 2, 2009 through July 1, 2010 | 8,219,301 |
| Row 21 | Interest Payments made July 1, 2003 through July 1, 2010 (Sum of Rows 13-20) | \$76,029,569 |
| Row 22 | Principal Balance redeemed @ 100% of par July 1, 2010 (100% of Row 12) | \$140,945,000 |
| Row 23 | Principal Payments through July 1, 2010 prior to redemption (Sum of Rows 4-11) | 90,345,000 |
| Row 24 | Interest Payments made July 1, 2003 through July 1, 2010 (Row 21) | 76,029,569 |
| Row 25 | Aggregate First Lien Debt Service remaining to be paid as of June 30, 2003 assuming redemption on July 1, 2010 (Sum of Rows 22-24) | \$307,319,569 |
| Row 26 * | Projected earnings on Debt Service Reserve Fund as of June 30, 2003 | (\$9,611,907) |
| Row 27 * | Projected earnings on the Project Funds as of June 30, 2003 | (4,099) |
| Row 28 | Balance of the Debt Service Fund as of June 30, 2003 | (15,565,008) |
| Row 29 | Balance of the debt Service Reserve Fund as of June 30, 2003 | (24,935,500) |
| Row 30 | Subtotal (Sum of Rows 26-29) | (\$50,116,514) |
| Row 31 | Amount necessary to pay or redeem the PFC Bonds at July 1, 2010 redemption date (Sum of Row 25 and Row 30) | \$257,203,056 |

* Projected interest earnings through July 1, 2010.

Exhibit 5
(Page 3 of 4)

Amount necessary to pay or redeem the PFC Bonds at maturity:

| | |
|--|--------------------|
| Aggregate First Lien Debt Service remaining to be paid as of June 30, 2003 assuming bonds are outstanding until maturity | \$342,107,529 |
| * Projected earnings on Debt Service Reserve Fund as of June 30, 2003 | (\$18,583,020) |
| Projected earnings on the Project Funds as of June 30, 2003 | (4,099) |
| Balance of the Debt Service Fund as of June 30, 2003 | (15,565,008) |
| Balance of the Debt Service Reserve Fund as of June 30, 2003 | (24,935,500) |
| Subtotal | (\$59,087,627) |
| Amount necessary to pay or redeem the PFC Bonds at maturity | \$283,019,902 |
| * Projected interest earnings through July 1, 2017 (maturity). | |

Sources: "Final Pricing Information Book" prepared by PaineWebber, Inc., June 1999, Tab D, Pricing Results, page 15. See Exhibit 5, page 4 for projected earnings on the Project Funds as of June 30, 2003.

Exhibit 5
(Page 4 of 4)

Projected Earnings on the Project Funds as of June 30, 2003

| As of: | Project Fund (A) Balance | Projected Monthly Draws | Projected Interest Earned | Project Fund (B) Balance | Projected Monthly Draws | Projected Interest Earned * |
|-----------|-----------------------------|----------------------------|------------------------------|-----------------------------|----------------------------|--------------------------------|
| 7/1/2003 | 0 | 0 | 9 | 3,578,660 | 2,250,000 | 0 |
| 8/1/2003 | 0 | 0 | 0 | 1,328,660 | 1,328,660 | 2,982 |
| 9/1/2003 | 0 | 0 | 0 | 0 | | 1,107 |
| 10/1/2003 | 0 | 0 | 0 | 0 | | 0 |
| 11/1/2003 | | | | 0 | | 0 |
| 12/1/2003 | | | | 0 | | 0 |
| 1/1/2004 | | | | | | |
| 2/1/2004 | | | | | | |
| 3/1/2004 | | | | | | |
| 4/1/2004 | | | | | | |
| 5/1/2004 | | | | | | |
| 6/1/2004 | | | | | | |
| 7/1/2004 | | | | | | |
| 8/1/2004 | | | | | | |
| 9/1/2004 | | | | | | |
| 10/1/2004 | | | | | | |
| 11/1/2004 | | | | | | |
| 12/1/2004 | | | | | | |
| 1/1/2005 | | | | | | |
| 2/1/2005 | | | | | | |
| 3/2/2005 | | | | | | |

Total Projected Earnings on Project Funds as of
June 30, 2003:

\$9

\$4,089

Total for Both Project Funds:

\$4,099

* Assumes a compound annual interest rate of 1.00% on Project Fund balances.

Sources: "Investment Held" report dated June 30, 2003; Capital Cash Flow Projections dated June 30, 2003;
"Letter Agreement with Respect to Master Repurchase Agreement and Custodial Undertaking in
Connection with Master Repurchase Agreement" between Lehman Brothers, Inc.; Massachusetts Port
Authority and The Bank of New York, as Trustee.